

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AGRE-00 SP-02 USIA-06 AID-05 EB-07  
NSC-05 CIEP-01 SS-15 STR-04 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04  
SIL-01 /078 W

----- 099702 /12

R 220011Z DEC 76  
FM AMEMBASSY MEXICO  
TO SECSTATE WASHDC 9344  
INFO TREASURY WASHDC

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EO 11652: NA  
TAGS: EGEN MX  
SUBJECT: GOM RAISES SOME PRICES

1. SUMMARY: OFFICIAL PRICES FOR TORTILLAS, REFINED SUGAR AND CIGARETTES WERE INCREASED. OFFICIAL PRICE FOR BEANS LOWERED. CONASUPO GUARANTEED PRICES TO PRODUCERS REMAINS UNCHANGED. INCREASES SHOULD REDUCE CONASUPO DEFICIT. END SUMMARY.

2. SECRETARIAT FOR INDUSTRY AND COMMERCE ANNOUNCED INCREASES IN OFFICIAL PRICES FOR SEVERAL BASIC COMMODITIES EFFECTIVE DECEMBER 22. PRICE OF KILOGRAM OF CORNMEAL USED FOR TORTILLAS TO INCREASE FIFTY CENTAVOS, FROM A RANGE OF 2.80 TO 3.30 PESOS PER KILOGRAM. PRICE OF REFINED WHITE SUGAR INCREASED FROM 2.55 PESOS PER KILOGRAM TO SIX PESOS. CIGARETTE PRICES TO INCREASE 12.7 PERCENT. TO COMPENSATE FOR INCREASED PRICE OF TORTILLAS, PRICE OF BEANS IS TO BE LOWERED ONE PESO PER KILOGRAM TO 7.8 PESOS.

3. INCREASE IN PRICE OF CORNMEAL FOR TORTILLAS JUSTIFIED ON GROUNDS THAT CONASUPO BUYS CORN AT 2,340  
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PESOS PER TON AND HAS BEEN SELLING IT TO MILLS AT 1,850 PER TON. IT WILL NOW SELL TO MILLS AT 2,375 PESOS PER TON.

4. WHILE PRICE FOR REFINED WHITE SUGAR IS UP SUBSTANTIALLY ON THE VERY JUSTIFIED GROUNDS OF

PROBLEMS IN THE SUGAR-PRODUCING INDUSTRY, THE PRICES  
FOR SEMI-REFINED SUGAR AND RAW SUGAR REMAINED FIXED  
AT 2.15 PESOS AND 2.05 PESOS PER KILOGRAM, RESPECTIVELY.  
IN 1975, 40 PERCENT OF THE SUGAR CONSUMED DOMESTICALLY  
WAS REFINED INTO WHITE SUGAR. THERE IS A HIGH DEGREE  
OF SUBSTITUTABILITY BETWEEN WHITE AND SEMI-REFINED SUGAR.  
WE SUSPECT THE LARGE PRICE DIFFERENTIAL WILL RESULT  
IN A SWITCH TO CONSUMPTION OF SEMI-REFINED SUGAR.  
JOVA

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRICE CONTROLS, AGRICULTURAL COMMODITIES, EXPORT DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MEXICO16055  
**Document Source:** CORE  
**Document Unique ID:** 00  
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**Film Number:** D760470-0720  
**From:** MEXICO  
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**Office:** ACTION ARA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**TAGS:** EGEN, MX, US  
**To:** STATE  
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